

Message Text

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ORIGIN STR-04

INFO OCT-01 EUR-12 EA-09 IO-14 ISO-00 TRSE-00 AGRE-00
CEA-01 CIAE-00 COME-00 DODE-00 EB-07 FRB-01 H-02
INR-07 INT-05 L-03 LAB-04 NSAE-00 NSC-05 PA-02
EPG-02 AID-05 SS-15 ITC-01 USIA-15 PRS-01 SP-02
OMB-01 FEA-01 /120 R

DRAFTED BY STR:SCOFFIELD/CMG

APPROVED BY STR:AWOLFF

STR:RRIVERS

STATE:TO'HERRON

TREASURY:WBARREDA

-----075178 062113Z /72

P 061957Z JUL 77

FM SECSTATE WASHDC

TO USMISSION GENEVA PRIORITY

AMEMBASSY PARIS PRIORITY

INFO AMEMBASSY SEOUL PRIORITY

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USMISSION ALSO FOR USMTN; USOECD

E.O. 11652: N/A

TAGS: GATT, ETRD

SUBJECT:ARTICLE XIX NOTIFICATION ON NON-RUBBER FOOTWEAR

1. MISSION REQUESTED TO NOTIFY THE GATT
SECRETARIAT FOR CIRCULATION TO THE CP'S (AND
MISSION OECD TO NOTIFY OECD SECRETARIAT) OF THE U.S.
ACTION ON NON-RUBBER FOOTWEAR PROCLAIMED ON JUNE 22
AND EFFECTIVE JUNE 28. PLEASE ADVISE OF DATE OF
NOTIFICATION AND DOCUMENT NUMBER.

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2. BEGIN TEXT:

AN AGREEMENT BETWEEN THE GOVERNMENT OF THE UNITED
STATES AND THE GOVERNMENT OF THE REPUBLIC OF KOREA
LIMITING EXPORTS OF CERTAIN FOOTWEAR FROM THE REPUBLIC
OF KOREA TO THE UNITED STATES WAS SIGNED ON JUNE 21, BY
REPRESENTATIVES OF THE TWO GOVERNMENTS. A SIMILAR

AGREEMENT WAS CONCLUDED WITH THE REPUBLIC OF CHINA
(WHICH IS NOT A CONTRACTING PARTY) ON JUNE 14.

PURSUANT TO THIS AGREEMENT THE REPUBLIC OF KOREA
HAS AGREED TO LIMIT ITS EXPORTS OF CERTAIN NON-RUBBER
FOOTWEAR TO THE UNITED STATES AND THE GOVERNMENT OF THE

UNITED STATES HAS IMPLEMENTED IMPORT RESTRICTIONS.
THESE ACTIONS ARE BASED UPON A FINDING BY THE UNITED
STATES INTERNATIONAL TRADE COMMISSION THAT IMPORTS ARE A
SUBSTANTIAL CAUSE OF SERIOUS INJURY TO THE DOMESTIC
INDUSTRY. THE USITC RECOMMENDED THE IMPOSITION OF
TARIFF RATE QUOTAS APPLICABLE TO IMPORTS FROM ALL SOURCES
TO REMEDY THAT INJURY. ON MARCH 3 THE U.S. NOTIFICATION
OF THE USITC ACTION WAS CIRCULATED TO THE CONTRACTING
PARTIES (L/4477).

ON APRIL 1, 1977 THE PRESIDENT DETERMINED TO REJECT
THE ADVICE OF THE USITC AND DIRECTED THE U.S. SPECIAL
REPRESENTATIVE FOR TRADE NEGOTIATIONS TO NEGOTIATE ORDERLY
MARKETING AGREEMENTS WITH PRINCIPAL SUPPLIER COUNTRIES
TO MODERATE THE DISRUPTIVE INCREASE IN IMPORTS OF CERTAIN
NON-RUBBER FOOTWEAR. THE U.S. NOTIFIED THE GATT SECRE-
TARIAT OF THIS PROPOSED ACTION, WHICH WAS CIRCULATED
TO THE CONTRACTING PARTIES ON APRIL 19 (L/4477 ADD1).

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PURSUANT TO THE AGREEMENT REACHED WITH THE GOVERN-
MENT OF THE REPUBLIC OF KOREA, THE U.S. WILL ASSIST
THE GOVERNMENT OF THE REPUBLIC OF KOREA IN CARRYING OUT
ITS EXPORT RESTRAINTS BY TAKING THE FOLLOWING ACTIONS
LIMITING IMPORTS:

THE UNITED STATES WILL LIMIT THE IMPORTS FROM THE
REPUBLIC OF KOREA FOR A PERIOD OF 4 YEARS AS FOLLOWS:

ITEMS	ARTICLES	QUOTA QUANTITY (IN 1,000 PAIRS)			
		EXPORTED ON OR AFTER--			
		JUNE 28, 1977	JULY 1, 1978	JULY 1, 1979	JULY 1, 1980

REPUBLIC OF KOREA:
923.93 FOOTWEAR (EXCEPT 11,520 12,740 13,090 13,260
ATHLETIC FOOTWEAR)
PROVIDED FOR IN ITEMS
700.05 THROUGH 700.45

923.94 ATHLETIC FOOTWEAR 21,480 23,760 24,410 24,740

PROVIDED FOR IN ITEMS

700.05 THROUGH 700.45,

AND FOOTWEAR PROVIDED

FOR IN ITEM 700.58 AND

ITEMS 700.66 THROUGH

700.85 (EXCEPT ITEM

700.75 AND DISPOSABLE

FOOTWEAR, DESIGNED FOR

ONE-TIME USE PROVIDED

FOR IN ITEM 700.85)

. SUMMARY OF THE PRINCIPAL PROVISIONS OF THE
AGREEMENT BETWEEN THE GOVERNMENT OF THE U.S. AND THE
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GOVERNMENT OF THE REPUBLIC OF KOREA FOLLOWS:

PRODUCT COVERAGE -- ALL NON-RUBBER FOOTWEAR EXCEPT
ZORIS, DISPOSIBLE PAPER FOOTWEAR AND WOOL FELT FOOTWEAR.

DURATION -- FOUR YEARS AND THREE DAYS, STARTING JUNE 28,
1977.

RESTRAINT LEVELS (IN MILLIONS OF PAIRS EXPORTED):

FIRST YEAR	33
SECOND YEAR	36 1/2
THIRD YEAR	37 1/2
FOURTH YEAR	38

CATEGORIES

KOREA -- A) LEATHER, EXCEPT ATHLETIC FOOTWEAR - 34.9 PER-

B) ALL OTHER, INCLUDING LEATHER - 65.1 PERCENT
ATHLETIC FOOTWEAR

SWINGS AMONG CATEGORIES ARE ALLOWED UP TO TEN PERCENT
OF THE RECEIVING CATEGORY IN THE CASE OF SHIFTS INTO
LEATHER FOOTWEAR AND UP TO 15 PERCENT FOR OTHER FOOTWEAR.

CARRYOVER -- IF EXPORTS ARE BELOW THE CEILING LEVELS, THE
SHORTFALL CAN BE CARRIED OVER TO THE FOLLOWING YEAR, BUT
THE AMOUNT CARRIED OVER INTO INDIVIDUAL CATEGORIES MAY
NOT EXCEED ELEVEN PERCENT OF THE CEILING FOR THOSE
CATEGORIES.

CARRY FORWARD -- EXPORTS IN EXCESS OF CEILINGS WILL BE
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ALLOWED TO ENTER UP TO A MAXIMUM OF SIX PERCENT IN ANY CATEGORY. REDUCTIONS EQUAL TO SUCH OVERCEILING ENTRIES WILL BE MADE IN THE ENTRIES ALLOWED IN THE FOLLOWING YEAR.

IMPORT SPACING -- KOREA WILL EMPLOY ITS BEST EFFORTS TO MAINTAIN AN EVEN DISTRIBUTION OF IMPORTS THROUGHOUT THE YEAR, TAKING INTO ACCOUNT SEASONAL FACTORS.

EQUITY -- IN THE EVENT OF LARGE INCREASES IN U.S. IMPORTS FROM OTHER COUNTRIES, KOREA MAY INITIATE CONSULTATIONS WITH THE UNITED STATES. IF MUTUALLY AGREED, THE UNITED STATES WILL TAKE APPROPRIATE REMEDIAL ACTION.

PIPELINE -- FOOTWEAR EXPORTED PRIOR TO JUNE 28 WILL BE ALLOWED TO ENTER THE UNITED STATES. HOWEVER, SUCH EXPORTS ENTERING AFTER JUNE 1 WILL BE COUNTED AND ANY EXCESS ABOVE 9 MILLION PAIRS FOR KOREA WILL BE CHARGED AGAINST THE CEILINGS FOR THE FIRST YEAR.

THIS ACTION IS TO BE A TEMPORARY RESTRICTION AND IS TAKEN UNDER ARTICLE XIX. THE GOVERNMENT OF THE UNITED STATES DOES NOT CONSIDER THIS TYPE OF AGREEMENT TO BE THE IDEAL LONG-TERM SOLUTION TO TRADE PROBLEMS. THE U.S. IS TAKING THIS ACTION WITH THE FULL AGREEMENT OF THE GOVERNMENT OF THE REPUBLIC OF KOREA. THE ACTION DOES NOT AT THIS TIME ADVERSELY AFFECT OTHER TRADITIONAL U.S. SUPPLIERS NOR DOES IT RESTRICT IMPORTS BELOW THOSE OF A RECENT REPRESENTATIVE PERIOD.

IN ORDER TO ASSURE THE LIMITED NATURE OF THIS ACTION, THE PRESIDENT OF THE UNITED STATES HAS DIRECTED THE U.S. DEPARTMENTS OF COMMERCE AND LABOR AND THE OFFICE OF THE SPECIAL REPRESENTATIVE FOR TRADE NEGOTIATIONS TO DEVELOP A NEW AND MORE EFFECTIVE FEDERAL TRADE ADJUSTMENT

ASSISTANCE PROGRAM TO ASSIST TRADE IMPACTED DOMESTIC
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FIRMS AND WORKERS.

THE UNITED STATES DOES NOT AT THIS TIME CONTEMPLATE TAKING RESTRICTIVE ACTION AFFECTING OTHER COUNTRIES. SHOULD THE GOVERNMENT OF THE UNITED STATES DETERMINE TO INSTITUTE IMPORT RESTRICTIONS ON COUNTRIES NOT PARTIES TO THE ORDERLY MARKETING AGREEMENT, THE GOVERNMENT OF THE

UNITED STATES WILL NOTIFY THE CONTRACTING PARTIES AND
PROVIDE AN OPPORTUNITY FOR CONSULTATIONS UNDER ARTICLE
XIX.

A FULL TEXT OF THE PRESIDENTIAL PROCLAMATION
IMPLEMENTING THE RESTRICTIONS ON CERTAIN NON-RUBBER
FOOTWEAR, A TEXT OF THE ORDERLY MARKETING AGREEMENT
AND A PRESS RELEASE EXPLAINING THE ACTION HAS BEEN
SUPPLIED TO THE SECRETARIAT FOR VIEWING BY INTERESTED
CONTRACTING PARTIES. END TEXT

3. MISSION SHOULD PROVIDE COURTESY COPY OF NOTIFICATION
TO KOREAN MISSION PRIOR TO DELIVERY TO SECRETARIAT. VANCE

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01-Jan-1994 12:00:00 am
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: RUBBER, FOOTWEAR
Control Number: n/a
Copy: SINGLE
Sent Date: 06-Jul-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01-Jan-1960 12:00:00 am
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
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Drafter: SCOFFIELD/CMG
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Expiration:
Film Number: D770240-0190
Format: TEL
From: STATE
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1977/newtext/t19770786/aaaacxcs.tel
Line Count: 237
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: 206c3570-c288-dd11-92da-001cc4696bcc
Office: ORIGIN STR
Original Classification: UNCLASSIFIED
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Original Previous Classification: n/a
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Reference: n/a
Retention: 0
Review Action: RELEASED, APPROVED
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Review Date: 04-Nov-2004 12:00:00 am
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 1948203
Secure: OPEN
Status: NATIVE
Subject: ARTICLE XIX NOTIFICATION ON NON-RUBBER FOOTWEAR
TAGS: ETRD, GATT
To: GENEVA PARIS MULTIPLE
Type: TE
vdkgvwkey: odbc://SAS/SAS.dbo.SAS_Docs/206c3570-c288-dd11-92da-001cc4696bcc
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